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or to delay or obstruct their abatement and the return to a normal basis.

It may perhaps be profitable to have it understood that the patience of the public will not last forever. The masses of the people will not—they should not—forever supinely submit to be used as pawns in the game between capital and labor and then be made to pay the stakes of the game, no matter which side wins. They will insist—they should insist—that their interests, being the interests of the whole which comprehends all the parts, are paramount above those of any part or class. If that fact is not recognized and put into effective practice, the masses will one day exclaim to the classes, "A plague o' both your houses!" and will put them both under their own inexorable control.

That will not mean government ownership or government operation of industries. It will mean a legal control of them for the good of the whole nation. All other activities of social life are subject to such control, and endure it without repining. It rests with industrialists, and at this time especially with the wage-earners of "organized labor," to determine to what extent they may, through good behavior, remain a law unto themselves or, through disregard of the public welfare, be subjected to the authority of the State. At whatever cost, the class rule of Sovietism and Bolshevism shall not be imposed upon the masses of the American nation.

SAVING THE RAILROADS

THERE is ground for hope that the railroads will be saved from ruin. That they are in danger of ruin unless something is speedily done for their salvation is undeniable. We may say more than that, their wholesale bankruptcy is practically certain unless Congress within the next few weeks enacts a measure for their relief. The ground for hope of their salvation is found in the manifested inclination of Congress to take the necessary action.

These are the circumstances: Government control and operation of the roads for nearly two years have so disorganized them and so increased their expenses above their revenues as to make them subject to an incessant deficit.

That loss has been met with appropriations from the national treasury, as part of the expenses of the war; which was of course just and right. Normally, such payments would cease with the return of the roads to their owners, which is to be effected on January 1 next. But it will then be impossible, and for a considerable time thereafter it will be impossible, for the roads to meet their expenses with their revenues. They cannot hope to do so until some time after there has been a pretty thorough revision of the laws regulating their conduct. So, unless Government aid is in some way continued, deficits which they cannot cover will drive the roads into bankruptcy.

There are three ways in which such a catastrophe could be averted. One would be to postpone the return of the roads to their owners, and to continue indefinitely, or for a specified term, the present system of Government control and operation. That is so manifestly undesirable that it is unworthy of discussion. Nobody favors it save some of the extreme and revolutionary advocates of permanent Government ownership of the roads.

The second way would be to effect, before the date set for the return of the roads, the thorough revision of railroad legislation which was recognized even before the war to be urgently needed and which the war has made all the more imperatively necessary; coupling with it, probably, provision for continued pecuniary aid of the roads until the new laws have been in operation long enough to enable them to get upon a paying basis. That would doubtless be the most desirable arrangement, were it possible to make it. But it does not seem possible. A year ago the President recommended that Congress should take the matter up and solve a problem for which he frankly confessed he was not able to prescribe a solution. A year has passed, and the problem is not solved; and we are within a few weeks of the date set for the return of the roads to their owners. Those weeks are not sufficient time for the satisfactory working out of the problem, which is one of the most intricate and complex and one of the most important that ever arose in American economics. They would need to be lengthened to as many months to serve that purpose.

It would be unprofitable to dwell with recrimination upon the responsibility for the delay that has occurred.

There is blame on both sides. Doubtless, the President should not have gone away and neglected his duties to the nation; and he should not so long have delayed convoking Congress in special session for the purpose of beginning work on the great task which he had committed to it, or to its predecessor. Doubtless, too, Congress should have got to work more expeditiously and more effectively. The former Congress should have found time in the three months of its last session at least to do much substantial work which would serve as a basis on which the present Congress could complete the task. The present Congress, even under the handicap of being called together so late, might have made far greater progress than it has.

The third course, then, would be—let us say, should and we believe will be—to fulfill the plan of returning the roads to their owners on January 1, and to enact before that date some simple and judicious *modus vivendi* which will afford the roads the temporary relief which is essential to their solvency, and enable them to be operated by their owners at least without loss until it is possible through thoroughly revised legislation to place them upon a permanent basis of reasonable profit. To this end it will be necessary merely to return the roads on precisely the same basis of ownership and administration that they were on when the Government took them over, and to provide for the continuation of the Government's guarantee for, let us say, a year thereafter. It is possible, though not probable, that it will not be needed for so long as a year. Certainly permanent legislation, of the most thorough and thoughtful character, should be supplied in less time. But it is obvious that it may and probably will take much more time for the new legislation to become so effective as materially to affect the prosperity of the roads. Moreover it is highly desirable to avoid the slightest danger of the injection of this purely economic and now happily non-partisan matter into the coming national campaign as a political issue, and that will be done by extending the period of the guarantee until after the election of next November.

If somebody were to propose a resolution approving the Ten Commandments, there would probably be objection offered from some quarter. So there may be objection to such granting of a Government guarantee to the roads

after they have been returned to private control and operation. But the justification of such a course, on at least two major grounds, seems to us entirely convincing. One is the ground of expediency. Even if such a guarantee were a gratuitous gift to the roads, which the Government was under not the slightest legal or moral obligation to make, it would still be sound policy to make it; just as it is sound policy to provide at great cost an army and navy for national defence, and as it would be to appropriate a large sum to ward off or to extirpate a devastating epidemic. We must remember that the railroads of this country are capitalized at more than twenty-one billion dollars, or fully one-tenth of the entire wealth of the United States, and that there is nothing more essential to the material welfare of the whole nation than that they shall be kept in operation with unimpaired efficiency. Their legitimate securities are owned by hundreds of thousands of people, all over the country, who are largely dependent upon the income from them for support. The effect of a general throwing of the roads into bankruptcy, with consequent impairment, if not utter destruction, of the value of their securities, would be one of the most appalling economic disasters in the history of America; a disaster so great that the expenditure of many millions to avert it would be judicious economy; a disaster so great that to recoup it so far as it could be recouped—which would not by any means be fully—would cost far more than to avert it.

There is, however, a still stronger ground than that of expediency, in that of right. We mean both legal and moral right. The Government is bound, in the most explicit and indisputable way, to return the roads to their owners in substantially the same condition that they were in when it took possession of them for war purposes. It is thus bound both in the act of Congress which gave the Government control of the roads, and in the individual contracts which the Railroad Administration made with the majority of the companies. Now it is obvious that that does not mean simply that the Government shall return the same number of miles of track, the same number of cars, etc., all in about the same condition of repair. It does mean that, but also something very much more. It means that the Government is probably legally and certainly morally

bound to restore the roads in as good a financial condition as that in which it found them, with as favorable a relation between income and expenditures. It would be a gross wrong, amounting to breach of faith and confiscation of property without compensation, for it to take over roads which under private management were paying expenses and dividends, to alter their traffic arrangements and increase their fixed charges so as to make their operating expenses more than their revenue, and then to hand them back to their owners in that potentially insolvent condition, without providing means for immediately restoring them to solvency. The business of a road is as essential and as important a part of its property as is its permanent way or its rolling stock, and it is as incumbent upon the Government to maintain unimpaired, or to repair fully upon returning it, the former as the latter. Failure to do so would be, moreover, a breach of faith, not alone to the officers and directors of the roads, with whom the Government directly deals, but equally with all the hundreds of thousands of holders of bonds and stocks, and indeed with the entire public whose convenience, prosperity and welfare are inextricably interwoven with the prosperous and efficient maintenance of the transportation systems of the country.

Happily, as we have said, there is ground for a cheerful hope that this responsibility of the Government will be recognized and loyally discharged. Both the Executive Department and Congress seem so inclined. Nothing could have been better than the tone of the Director-General in impressing upon Congress the certainty that under the President's directions he would surrender the roads to their owners on January 1; for in doing so he emphasized the obligation of the Government "to return the railroads to their owners in substantially the same condition as they were in when they were taken over." He did not say and did not mean merely the same physical condition, but "the same condition," without qualification or limitation, and in the widest sense of the term. Gratifying, too, was the instant response of Congress. In an hour the Senate and House committees interested were called together, to take action for meeting the emergency thus placed in inevitable prospect.

There were already in existence two tentative measures

for permanently dealing with the problem. These were those of Senator Cummins and Representative Esch. They are both sincerely and intelligently prepared measures, both of which, and particularly the former, will doubtless serve as valuable bases for the ultimate enactment, though we do not suppose that either Mr. Cummins or Mr. Esch regards his bill as by any means perfect or ready for enactment. It is of course highly desirable that the measure shall be made, before enactment, as nearly perfect as the most careful legislative statesmanship can make it, so as to avoid the necessity of amendments and those changes which in the past have been too numerous and have gravely militated against the prosperity of the roads. It would be well, if it were possible, to enact the finished measure before January 1. But it is probably not humanly possible to do so and to do justice to the subject. While therefore it is the plain duty of both Houses to address themselves promptly, persistently and expeditiously to the task of framing permanent railroad legislation, it is their no less plain duty to provide an efficient temporary arrangement, to serve the needs of the roads and of the nation until that end can be attained. And that is a duty which we confidently expect them wisely and generously to fulfill.

SOME SIGNIFICANT ELECTIONS

WE have heard a great deal in the last year about mandates, including some which never were given, and about voices of humanity in the air, some of which were and still remain very much "in the air" in current colloquial meaning of that phrase. It will be profitable now to consider those demonstrations of popular wishes and will which have indisputably been made, and which are so clear and emphatic in their purport as to be incapable of being otherwise than intentionally misunderstood. A year ago there occurred such a demonstration, very remarkable and definitive in character, which was still more remarkably repudiated, ignored and in effect denied by the very man who had invoked it as of supreme importance. It may be that there will be an attempt, with incredible foolishness, on the part of some similarly to ignore the still more note-